## Message Text

## CONFIDENTIAL

PAGE 01 MANAGU 02170 102042Z ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 HA-05 /073 W

-----063703 110556Z/13

R 101703Z MAY 78 FM AMEMBASSY MANAGUA TO SECSTATE WASHDC 6550 INFO AMEMBASSY CARACAS AMEMBASSY GUATEMALA AMEMBASSY SAN JOSE AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA

CONFIDENTIAL MANAGUA 2170

E.O. 11652: GDS

TAGS: PINT, SHUM, PINS, NU

SUBJECT: VIEWS OF LUIS PALLAIS ON CURRENT EVENTS

SUMMARY: LUIS PALLAIS DEBAYLE, WHO IS PRESIDENT SOMOZA'S FIRST COUSIN, POLITICAL ADVISER, SPOKESMAN FOR THE LIBERAL PARTY (PLN), AND MANAGING DIRECTOR OF NOVEDADES, GAVE AMB AND DCM A RUNDOWN ON HIS VIEW OF CURRENT EVENTS. HE IS ACTIVELY DISCUSSING SOMOZA'S REFORMS WITH OPPOSITION POLITICIANS AND TRYING TO OVERCOME THEIR RELUCTANCE TO ENGAGE IN POLITICAL DISCUSSION WITH HIM. END SUMMARY

- 1. DURING LUNCHEON MEETING WITH AMB. AND DCM, LUIS PALLAIS DEBAYLE MADE THE FOLLOWING OBSERVATIONS.
- 2. INSTEAD OF THE USUAL TWO WEEK BREAK, CONGRESS WILL NOT BE RECONVENING UNTIL THE END OF MAY. THE PURPOSE OF THIS DELAY IS TO PERMIT TIME FOR THE OPPOSITION TO PROVIDE SOME INPUT TO THE ELECTORAL REFORM LEGISLATION. THIS WILL ALLOW ALMOST THIRTY DAYS BEFORE THE LEGISLATION IS CONFIDENTIAL

## CONFIDENTIAL

PAGE 02 MANAGU 02170 102042Z

RETURNED BY THE PRESIDENT TO THE NEW SESSION OF CONGRESS, WHERE IT CAN BE CONSIDERED AND CHANGES MADE. PALLAIS SAID THAT HE HAD BEEN MEETING SECRETLY WITH CONSERVATIVE PARTY LEADERS, OCCASIONALLY AT RIDICULOUSLY OUT OF THE WAY LOCATIONS, TO URGE THEM TO PARTICIPATE IN THE ELECTORAL REFORM PROCESS. THESE LEADERS PRIVATELY ACCEPT THE NEED FOR SUCH A DIALOGUE WITH SOMOZA, BUT THEY ARE ALL AFRAID

TO BE THE ONE TO MAKE THE FIRST MOVE IN THAT DIRECTION.

3. PALLAIS SAID HE HAD BEEN DISCUSSING WITH THE PRESIDENT AND HAD OBTAINED HIS APPROVAL FOR AN INCREASED DEMOCRATIZATION OF THE LIBERAL PARTY. THIS WOULD ALLOW BROADER GRASS ROOTS PARTICIPATION, AS WELL AS PERMIT THE EXPRESSION OF OPPOSING VIEWS BY LIBERAL PARTY DEPUTIES. HE SAID THAT THE LIBERAL PARTY HAD BEEN A RUBBER STAMP PARTY TOO LONG. THIS IS NOT THE KIND OF PERCEPTION THE NICARAGUAN PUBLIC SHOULD HAVE OF THE LIBERALPPARTY. HE TALKED ABOUT THE POSSIBILITY OF ASSIGNING CERTAIN LIBERAL DEPUTIES RESPONSIBILITY FOR TAKING THE LEAD AS SPOKESMEN ON SPECIFIC ISSUES SUCH AS AGRICULTURE, RURAL DEVELOPMENT, INDUSTRY, ETC. FURTHER, SELECTION OF PARTY CANDIDATES, MAYORS AND JUDGES WOULD BE DEMOCRATIZED, ALTHOUGH THE PRESIDENT WOULD RETAIN VETO RIGHTS.

4. PALLAIS NOTED THE INCREASINGLY CALM ATMOSPHERE IN NICARAGUA, AND SAID THAT HE EXPECTED THIS TO CONTINUE FOR SOME TIME UNLESS A SUCCESSFUL ATTACK BY THE FSLN TOOK PLACE. HE SAID THAT THERE WERE FIVE PRINCIPAL PROBLEMS THAT HAD FACED THE SOMOZA GOVERNMENT, OF WHICH ALL BUT ONE HAD BEEN RESOLVED. THESE ARE:

A) SINCE THE MURDER OF GEN. PEREZ VEGA THERE HAVE BEEN CONFIDENTIAL.

CONFIDENTIAL

PAGE 03 MANAGU 02170 102042Z

NO FURTHER MAJOR FSLN ATTACKS.

B) THE HUNGER STRIKES AND STUDENT SCHOOL OCCUPATIONS HAD BEEN DEALT WITH IN A MODERATE FASHION.

C) THE OPPOSITION NOW KNOWS THAT THE USG WOULD NOT ENGAGE IN THE OVERTHROW OF SOMOZA, AND THAT IT WAS PLAYING A SATISFACTORY NEUTRAL ROLE.

D) THE ECONOMY WAS IN BETTER SHAPE THAN ANTICIPATED, ALTHOUGH OBVIOUSLY THIS WILL NOT BE A BOOM YEAR.

5. THE REMAINING UNRESOLVED ISSUE IS THAT OF CONFIDENCE. PRESIDENT SOMOZA REALIZES THAT MANY DO NOT BELIEVE THAT HE WILL TOTALLY RELINQUISH THE REINS OF POWER IN 1981. PALLAISSAID THAH HE HAS BEEN DEVOTING CONSIDERABLE EFFORT IN ATTEMPTING TO CONVINCE THE OPPOSITION THAT SOMOZA MEANS WHAT HE SAYS. DEMOCRATIZATION OF THE LIBERAL PARTY IS ONE WAY OF SHOWING THE CONSERVATIVES THAT THIS IS SO.

6. PALLAIS SAID THAT PRESIDENT SOMOZA HAS BEEN TRYING TO DO "ALL THE RIGHT THINGS", THAT SOMOZA HAS ACCEPTED

ADVICE FROM THE USG IN VIRTUALLY EVERY RESPECT. PALLAIS WONDERED WHAT THE USG MIGHT DO TO SHOW ITS APPROVAL OF THESE MOVES. FOR EXAMPLE, HE SAID, COULD NOT THE USG PROVIDE THE GN WITH NON-LETHAL WEAPONS, SUCH AS ARMORED HIGH PRESSURE WATER HOSE VEHICLES, AND OTHER ADVANCED CROWD CONTROL EQUIPMENT THAT WOULD BE MUCH BETTER AND MORE ACCEPTABLE THAN TEAR GAS GRENADES?

7. PALLAIS SAID THAT SOMOZA DID NOT WISH TO INVITE THE IAHRC TO NICARAGUA UNDER PRESSURE FROM VENEZUELA. HE SAID THAT HE PERSONALLY THOUGHT THAT THE INVITATION SHOULD BE ISSUED BEFORE THE OASGA IN JUNE, AND HINTED THAT THIS MIGHT BE A POSSIBILITY. CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MANAGU 02170 102042Z

8. PALLAIS SAID THAT THERE WAS CONSIDERABLE FRUSTRATION AMONG THE GUARDIA NACIONAL AS A RESULT OF PRESIDENT SOMOZA'S ORDERS NOT TO USE FORCE AGAINST DEMONSTRATORS. LIKE ANY ILITARY SERVICE, THE GUARDIA BELIEVES IT COULD PUT DOWN ALL SUCH TROBULES EASILY AND ARE CHAFFING UNDER THE SOMOZA BIT. PALLAIS DOES NOT BELIEVE THAT THIS IS A SERIOUS MATTER IN TERMS OF GN SUPPORT FOR SOMOZA. HE ADDED THAT HE HAD MET WITH SOME GN OFFICERS, WITH SOMOZA'S BLESSING, TO EXPLAIN TO THEM WHY THE POLICY OF RESTRAINT ON THEIR PART IS NECESSARY AND DESIRABLE.

9. COMMENT: PALLAIS' VIEWS ARE OF INTEREST BECAUSE OF HIS CLOSENESS TO THE PRESIDENT AND HIS CURRENT ACTIVISM IN TRYING TO PROMOTE POLITICAL ACCOMODATION. HIS CHIEF PROBLEM IN ACCOMPLSHING THIS TASK IS THAT HE IS GENERALLY CONSIDERED TO BE MORE A SOMOZA MESSENGER THAN A LIBERL PARTY LEADER WITH AUTHORITY IN HIS OWN RIGHT. SOLAUN

CONFIDENTIAL

NNN

## Message Attributes

Automatic Decaptioning: X Capture Date: 01 jan 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: GOVERNMENT REFORM, DIPLOMATIC DISCUSSIONS, OPPOSITION PARTIES

Control Number: n/a Copy: SINGLE Draft Date: 10 may 1978 Decaption Date: 01 jan 1960 Decaption Note: Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event:

Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANAGU02170
Document Source: CORE
Document Unique ID: 00

Drafter: n/a

Enclosure: n/a Executive Order: GS Errors: N/A

**Expiration:** Film Number: D780199-0798 Format: TEL

From: MANAGUA Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1978/newtext/t19780574/aaaaclat.tel Line Count: 155

Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM

Message ID: 0e4f30a1-c288-dd11-92da-001cc4696bcc

Office: ACTION ARA

Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 3
Previous Channel Indicators: n/a Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 13 jul 2005 **Review Event:** Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2737328 Secure: OPEN Status: NATIVE

Subject: VIEWS OF LUIS PALLAIS ON CURRENT EVENTS SUMMARY: LUIS PALLAIS DEBAYLE, WHO IS PRESIDENT SOMOZA\'S FIRST

COUSIN, POLITICAL ADVISER, SPOKESMAN FOR THE TAGS: PINT, SHUM, PINS, NU, (PALLAIS DEBAYLE, LUIS)

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS\_Docs/0e4f30a1-c288-dd11-92da-001cc4696bcc Review Markings:

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review

20 Mar 2014

Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014